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OFFICE OF THE COUNTY AUDITOR INTEROFFICE MEMORANDUM

TO: All Council Members
FROM: Lauren M. Smelkinson, County Auditor *LMS*
DATE: November 13, 2012
SUBJECT: Revision to Council Meeting Notes

Please find attached revised MB-11 (Co-Location and Joint Use of Data Centers) to the Council Meeting Notes issued November 8, 2012. The revised note states that a portion of the funding will be coming from the County's most recent Equipment Financing Package rather than from the Enhanced Productivity Thru Technology project.

This item will be discussed at the November 13, 2012 work session for the November 19, 2012 Council meeting.

Attachment

cc: notes distribution list

MB-11 (Memorandum of Understanding)

Council District(s) All

Mrs. Almond (By Req.)

Office of Information Technology

Co-Location and Joint Use of Data Centers

The Administration is requesting approval of a Memorandum of Understanding (MOU) with the Baltimore County Board of Education (the Board) to establish the co-location and joint use of data centers. The MOU governs the location, repairs, improvements, maintenance, operations, and continued use by both parties of the co-located data center site. The MOU commences upon Council approval, continues through April 30, 2027, and may be renewed for one additional 15-year period.

Fiscal Summary

Site preparation and start-up costs are estimated to total \$6 million, compared to an estimated cost of \$8 to \$10 million to build a new facility or modify a separate facility. Additional savings in ongoing maintenance costs are expected to total approximately \$100,000 to \$200,000 annually.

Analysis

The Office advised that both the County and the Board have significant data and information assets that can be managed and located in a manner that improves operations and maximizes both cost efficiencies and information technology investments. The Office further advised that the Board's lease for its current data center location is expiring and is not being renewed. As part of the County's continuing efforts to improve the efficiency of government operations, the County and the Board have agreed to co-locate their data centers at the County's current data center site, which will be modified to accommodate the co-located data center.

The MOU outlines the rights and obligations of the County and the Board with respect to the location, repairs, improvements, maintenance, operations, and continued use by both parties of

the co-located data center. Each entity is responsible for the availability of its systems located at the data center, as well as for maintaining its own equipment. In addition, each entity will retain ownership of its own trade and business equipment and furnishings. The County is responsible for procuring and managing any contractors hired to perform site preparations at the data center; obtaining all permits, licenses, inspections, and approvals required for the co-location of the data center; ensuring the reasonable availability of power, physical security, mechanical and electrical facilities maintenance, heating, ventilation, and air conditioning; and maintaining adequate data center environmental requirements. The Board will be responsible for the provision of all Internet and WAN networking for its own infrastructure. In addition, the Board will not make any alterations, additions, or improvements to the data center and/or site without the prior written consent of the County.

The MOU commences upon Council approval, continues through April 30, 2027, and may be renewed for one additional 15-year period should both entities choose to continue use of the co-located data center. Either party may terminate this MOU for the breach of any term, condition, or covenant contained in the MOU by providing 30 days prior written notice to the other party. In addition, either party may terminate the MOU at the end of any fiscal year by providing written notice to the other party no later than April 30th of the same fiscal year.

The MOU does not commit the County to any specific costs; however, it does specify that once it has been fully executed, the entities will meet to discuss transition plans, maintenance needs, operational policies, access to the site, and management of equipment repair. These discussions will involve consideration of projected costs and any anticipated budgetary requests. The MOU stipulates that any and all expenditures by the County or the Board are subject to the availability and appropriation of funds and may be subject to approval by the Council and the General Assembly of Maryland, as applicable. The Office advised that the site preparation and startup costs are estimated to total approximately \$6 million (to be funded out of the County's most recent Equipment Financing Package and various capital projects), compared to a cost of \$8 to \$10 million to build a new facility or modify a separate facility. The Office further advised that the additional savings in ongoing maintenance costs resulting from the use of the co-located data center are expected to total approximately \$100,000 to \$200,000 per year.

The Office advised that it began site preparation work in May 2012, expending approximately \$196,385 in capital funding. The Office expects that the co-located data center will be fully operational by August 2013.